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Suspect's Firm Works for Defense

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Accused spy Arthur Walker's Virginia employer, VSE Corp., is a diversified government contractor earning a large portion of its more than \$70 million annual revenues from defense projects, some involving Pentagon secrets.

A company official, Craig Weber, would say little yesterday about Walker's role in the firm's Chesapeake, Va., office, which he joined in 1980. But Weber added, "I don't know of any measures that are sufficient [to guard classified information] when you have a model citizen with a distinguished service record and the appropriate security clearances . . . who makes a decision" to steal confidential material.

Coworkers said Walker was assigned to a VSE project called PERA, which stands for Planning and Engineering for Repairs and Alterations on amphibious vessels in the Navy's Atlantic fleet. The work involves planning for maintenance and overhauls to reduce costs and shipyard time.

It was unclear what access Walker, a retired Navy lieutenant commander and former submariner, may have had to other, more sensitive information VSE is privy to in the array of defense contracts it holds with the Navy.

During the period of Walker's employment, VSE performed more than \$137 million worth of projects for the Navy, including \$12 million for marine architectural-engineering, according to Defensive Marketing Service Inc. (DMS), a firm that tracks defense industry contracting.

Other Navy jobs included \$5 million for missile and spacecraft engineering development and \$1.5 million for technical advice on communications equipment.

Weber, the company spokesman, said he did not know if VSE, an Alexandria-based company, is currently involved in secret antisubmarine warfare projects for the service.